

FINANCIAL SERVICES REPUBLICAN MORNING CLIPS 4.26.2010

Wall Street Journal: "Deal Near on Derivatives ... Democrats took a step toward their goal of overhauling financial regulation, reaching a tentative deal to set restrictions on trading in exotic financial instruments known as derivatives."

Wall Street Journal: "Treasury Gives OK to Sell Some Citi Shares ... The U.S. Treasury Department approved a sale of 1.5 billion shares of Citigroup Inc. common stock in a step toward reducing its 27% stake in the Wall Street firm."

Wall Street Journal: "Investors Lost, Goldman Won on WaMu Deal ... Washington Mutual Inc. and its Long Beach Mortgage Co. subprime-lending unit rang up one of the worst failures in U.S. history. Left in the wake were billions of dollars of soured loans and questionable lending practices."

Wall Street Journal: "Goldman's Take-No-Prisoners Attitude ... Goldman Sachs Group Inc.'s mortgage traders, under the spotlight because of the U.S. government's fraud lawsuit against the securities firm, made markets in more than just bonds during the real-estate bubble."

Wall Street Journal: "Housing to Test Economy's Post-Stimulus Strength ... Even as optimism grows about the strength of the recovery, one big question looms: To what extent is the economy running on government life support?"

Wall Street Journal: "Treasurys Give Tips on Inflation Expectations ... For clues to inflation, watch the TIPS jar."

Wall Street Journal: "Fed's Focus: How to Sell Its Mortgage Securities ... The Federal Reserve has acquired more than \$1 trillion worth of mortgage-backed securities in the past 15 months. At their policy meeting in the coming week, Fed officials will try to decide how and when to get rid of them without jarring financial markets and the nascent economic recovery."

Wall Street Journal: "IMF Speeds Up Greece Efforts ... The International Monetary Fund is speeding up efforts to deliver funding help to Greece, IMF Managing Director Dominique Strauss-Kahn said Sunday, following a meeting with Greece's finance minister."

Wall Street Journal: "Wooing GOP, Geithner Gets an Earful ... Treasury Secretary Timothy Geithner is learning that all politics is local."

Wall Street Journal: "Deal May Force Trading-Desk Spinoff ... The tentative agreement reached by two key Democrats Sunday on a plan to crack down on trading in derivatives would potentially force banks to spin off their operations that trade the exotic financial instruments."

Wall Street Journal: "Taxpayers and the Dodd Bill ... Last Thursday, at New York's Cooper Union, President Obama promoted the Senate financial reform bill while castigating its opponents. "Now, there's a legitimate debate taking place about how best to ensure taxpayers are held harmless," he said of Sen. Chris Dodd's legislation."

Washington Post: "GOP, Democrats at an impasse before key vote on financial overhaul ... Senators will face a crucial test vote Monday that could clear the way for debate on far-reaching legislation to overhaul the nation's financial regulatory system -- or end in a partisan standoff -- as Wall Street once again takes center stage on Capitol Hill."

Washington Post: "Greek finance minister says bailout deal is within reach ... Negotiations over a \$60 billion rescue package for Greece are going well and could be completed within a few weeks, Greek Finance Minister George Papaconstantinou said Sunday."

Washington Post: "SEC gathered range of experts for Goldman case ... Late into the night, they darted from office to office, carrying thick reams of documents, building the most prominent legal case to grow out of the financial crisis."

Washington Post: "Financial bill in limbo going into key vote ... Senators will face a crucial test vote Monday that could clear the way for debate on far-reaching legislation to overhaul the nation's financial regulatory system -- or end in a partisan standoff -- as Wall Street once again takes center stage on Capitol Hill."

Washington Post: "Goldman executives cheered housing market's decline, newly released e-mails show ... As the U.S. housing market began its epic fall nearly three years ago, top executives at Wall Street powerhouse Goldman Sachs cheered the large financial gains the firm stood to make on certain bets it had placed, according to newly released documents."

Washington Post: "The national debt and Washington's deficit of will ... Bill Gross is used to buying bonds in multibillion-

dollar batches. But when it comes to U.S. Treasury bills, he's getting nervous."

NY Times: "Democrats, Pressuring G.O.P., Unite on Finance Bill ... Senate Democrats said Sunday that they had bridged internal party differences and coalesced around a plan to tighten regulation of derivatives, the complex financial instruments that were a major factor in the 2008 economic crisis."

NY Times: "Berating the Raters ... Let's hear it for the Senate's Permanent Subcommittee on Investigations. Its work on the financial crisis is increasingly looking like the 21st-century version of the Pecora hearings, which helped usher in New Deal-era financial regulation. In the past few days scandalous Wall Street e-mail messages released by the subcommittee have made headlines."

LA Times: "Private mortgage insurance companies return to market ... The low-down payment mortgage landscape is changing."

LA Times: "Fannie Mae to shorten waiting periods for some troubled borrowers to get new home loans ... Here's some good news for people who have had to give the deed on their house back to the bank because of financial problems, or who have done a short sale to avoid foreclosure: You may not have to wait the typical four or five years to requalify for financing to buy another home."

LA Times: "Obama and Wall St. - it's not 1936 ... Unlike FDR, the president is seeking to build alliances with the financial industry on regulations."

USA Today: "Auto dealers head to Senate to fight bill regulating lending ... The nation's auto dealers head to the U.S. Senate Monday to play man-to-man defense to stop a bill that would for the first time put their lending business under a single federal watchdog."

USA Today: "Dodd, Shelby say no deal yet on financial rules ... The Senate's top negotiators on financial overhaul legislation said Sunday they were not optimistic about striking a bipartisan agreement on key features of the sweeping bill before a showdown vote on Monday."

Washington Times: "Republicans defy test vote on banks ... Republican leaders said Sunday that their ranks are unified and determined to shoot down a key test vote Monday on legislation to overhaul Wall Street regulation, posing a potentially embarrassing scenario for Democrats eager to advance a major item of President Obama's agenda."

Bloomberg: "U.S. Treasury to Sell 1.5 Billion Shares of Citigroup Stock ... The U.S. Treasury Department plans to sell "up to" 1.5 billion shares of Citigroup Inc. in the government's biggest step yet to exit the 27 percent ownership of the bank it rescued during the financial crisis."

Bloomberg: "Goldman Sachs E-mails Spur Democrats to Push Wall Street Rules ... White House officials and Democratic lawmakers seized on internal e-mails from Goldman Sachs Group Inc. to push for curbs including a ban on proprietary trading as they brace for a Senate showdown on Wall Street oversight."

Bloomberg: "Financial Overhaul Bill Faces Showdown in Senate Vote Today ... The Senate is set to hold a test vote today on a Democratic plan to overhaul regulation of Wall Street, a showdown with political risks for both sides."

Bloomberg: "SEC Fraud Suit Against Goldman Is a 'Buy' Sign: John Dorfman ... Now that the Securities and Exchange Commission has unofficially declared Goldman Sachs Group Inc. to be the big bad wolf of the 2007-2009 financial crisis, what should investors do?"

The American: "Yes, It's a Bailout Bill ... The debate over financial regulation is now focused squarely on the ability of the government to take over a failing financial institution such as a bank holding company or hedge fund-so-called non-bank resolution authority."

Real Clear Markets: "Will Financial Reform Prevent Another Panic? ... The one thing we know about the financial 'reform' now moving toward what looks like eventual congressional approval is that it will be oversold, says economist Robert Litan of the Kauffman Foundation."

Politico: "Max Baucus: A bank tax is coming ... It was a short hallway conversation but spoke volumes about the dilemma facing Democrats, hungry for new revenues after emptying the cupboard on health care reform."

Politico: "Wall St. showdown on Senate floor ... Even as both sides closed in on a Wall Street reform deal, Senate Republicans predicted Sunday that Democrats will fail to push the overhaul bill through the chamber Monday."

